UNITED STATES PATENT AND TRADEMARK OFFICE

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EXAMINER
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1   UNITED STATES PATENT AND TRADEMARK OFFICE

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4   BEFORE THE BOARD OF PATENT APPEALS
5   AND INTERFERENCES

6   _____

7

8   *Ex parte* BRADLEY J. SWEARINGEN,
9   DAVID S. HARDING,
10   BRANT C. LEWIS,
11   RICHARD MUNOZ JR.,
12   GREGORY SCOTT MOGONYE,
13   GREGORY FERRIS, and
14   PHILIP R. BERBER

15   _____

16

17   Appeal 2009-009099
18   Application 09/663,151
19   Technology Center 3600

20   _____

21

22   Before MURRIEL E. CRAWFORD, ANTON W. FETTING, and
23   BIBHU R. MOHANTY, *Administrative Patent Judges.*

24   FETTING, *Administrative Patent Judge.*

25   DECISION ON APPEAL[1]

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1   STATEMENT OF THE CASE[2]

2   Bradley J. Swearingen, David S. Harding, Brant C. Lewis, Richard

3   Munoz Jr., Gregory Scott Mogonye, Gregory Ferris, and Philip R. Berber

4   (Appellants) seek review under 35 U.S.C. § 134 (2002) of a final rejection of

5   claims 67-114, the only claims pending in the application on appeal. We

6   have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

7   The Appellants invented a way of executing financial security trades

8   (Specification 1).

9   An understanding of the invention can be derived from a reading of

10   exemplary claim 67, which is reproduced below [bracketed matter and some

11   paragraphing added].

12   67. A computer readable medium having a sequence of
13   instructions which, when executed by a processing entity,
14   effectuates a trade in a user selected user preferred security, the
15   computer readable medium comprising:

16   a code segment for identifying user preferred securities from a
17   plurality of securities based upon at least two user specific
18   criteria including at least one criterion related to pricing;

19   a code segment for generating a graph in which each of the user
20   preferred securities is represented and graphically differentiated

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[2] Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed August 14, 2008) and Reply Brief ("Reply Br.," filed December 22, 2008), and the Examiner's Answer ("Ans.," mailed October 28, 2008).

1 from each of the other user preferred securities based upon the
2 values of at least three user specific parameters associated with
3 each of the user preferred securities;

4 a code segment for receiving a user selection of one of the user
5 preferred securities represented on the graph;

6 a code segment for associating order parameters with the user
7 selected user preferred security; and

8 a code segment for sending an order to execute a trade in the
9 user selected user preferred security according to the order
10 parameters.

11 Claims 67-114 stand rejected under 35 U.S.C. § 101 as directed to non-

12 statutory subject matter.

13 ISSUE

14 The issue of whether the rejected claims recite statutory subject matter

15 turns on whether a claim to software on a computer readable medium may

16 be statutory if the software is more than an abstract idea when operating on a

17 computer.

18 ANALYSIS

19 There are 6 independent claims. Claims 67 and 82 are drawn toward a

20 computer readable medium having a sequence of instructions which, when

21 executed by a processing entity, effectuates a trade. Claims 83 and 98 are

22 drawn towards systems and claims 99 and 114 are drawn towards methods.

23 Thus only claims 67-82 are drawn towards computer readable media.

24 The Examiner found that all of the claims were drawn toward computer

25 readable media. Ans. 3. This in itself is factually incorrect, as claims 83-

26 114 are drawn towards systems and methods.

3

1   As to claims 67-82, and also claims 83-98, we are persuaded of error in

2   the Examiner's rejection for the reasons set forth by the Appellants at

3   Appeal Br. 11-31 and Reply Br. 2-10.

4   The Examiner's rejection is premised under two alternate theories. First,

5   that the claims are not concrete because they depend on the results of human

6   input and different inputs would produce different results. As this is true of

7   any device accepting human input, clearly this is not a relevant inquiry. The

8   Examiner made no finding that for a given input; the result would not be

9   determinative, which is the pertinent inquiry.

10   The second theory is inoperability. Here the Examiner contradicts the

11   earlier finding that all claims were drawn toward media and separates this

12   theory into that for media, systems and method claims. The Examiner

13   premises inoperability for media claims on the finding that the media do not

14   produce any function until resident in a computer. This finding is in conflict

15   with *In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994) in which

16   functional data structures must be afforded patentable weight. A computer

17   program is a data structure and imparts function within a computer.

18   Whether the medium is actually within the computer is irrelevant so long as

19   the data structure is such that it functionally affects computer operation

20   when it is in the computer.

21   As to the system claims, the Examiner construed the phrase "means for"

22   as meaning the function was to be broadly construed rather than construed

23   under 35 U.S.C. § 112, sixth paragraph. Ans. 6. This is in conflict with *In re*

24   *Alappat*, 33 F.3d 1526, 1540 (Fed. Cir. 1994) (*en banc*), in which means

25   plus function claims rejected under 35 U.S.C. § 101 were held to be required

1   to be construed under 35 U.S.C. § 112, sixth paragraph. As these claims

2   were improperly construed, the Examiner failed to present a prima facie case

3   for at least that reason. The Examiner made further findings in the Response

4   at Ans. 11 that the means were structurally limited in the claims. The

5   Examiner found that for example the means for generating a graph "is

6   modified by a lot of structure." *Id.* The Examiner points to no such

7   structure specifically, but appears to make an unsubstantiated finding of

8   structure. Indeed, it is the function that is further elaborated upon rather then

9   the means in the claim limitations the Examiner alludes to. For example, the

10 graph limitation the Examiner refers to recites how the graph is to appear,

11 which is an elaboration of the generating function, rather than providing any

12 structure for actually performing the generation. As such, we again find the

13 Examiner has improperly construed the apparatus claims.

14   As to the method claims, the Examiner found the claims recited non-

15 statutory processes. Ans. 8. Claim 98 is exemplary.

16   98. A method for enabling a trade in a user selected user
17   preferred security, the method comprising:

18   identifying user preferred securities from a plurality of
19   securities based upon at least two user specific criteria
20   including at least one criterion related to pricing;

21   generating a graph in which each of the user preferred securities
22   is represented and graphically differentiated from each of the
23   other user preferred securities based upon the values of at least
24   three user specific parameters associated with each of the user
25   preferred securities;

26   receiving a user selection of one of the user preferred securities
27   represented on the graph;

28   associating order parameters with the user selected user
29   preferred security; and

5

1   sending an order to execute a trade in the user selected user

2   preferred security according to the order parameters.

3   The Appellants respond that the limitations in the claim must be read as

4   being performed on a computer.

5   Here we agree with the Examiner that the method claims do not mention,

6   let alone require, computer implementation. This claim is capable of being

7   performed with no more than a graph and mental thought with perhaps some

8   communication of the thoughts. Indeed, even the graph could be

9   implemented mentally. Such claims are non-statutory mental processes. *See*

10   *In re Comiskey*, 499 F.3d 1365, 1377 (Fed. Cir. 2007)

11   In *Comiskey*, the court held that claims directed to a method for

12   mandatory arbitration resolution were unpatentable under § 101 because "the

13   patent statute does not allow patents on particular systems that depend for

14   their operation on human intelligence alone, a field of endeavor that both the

15   framers and Congress intended to be beyond the reach of patentable subject

16   matter." *Id.* at 1378-79. Thus, the holding in *Comiskey* established that "the

17   application of human intelligence to the solution of practical problems is not

18   in and of itself patentable." *Id.* at 1379.

19   <div align="center">CONCLUSIONS OF LAW</div>

20   Rejecting claims 67-97 under 35 U.S.C. § 101 as directed to non-

21   statutory subject matter is in error.

22   Rejecting claims 98-114 under 35 U.S.C. § 101 as directed to non-

23   statutory subject matter is not in error.

1   DECISION

2   The rejection of claims 67-97 under 35 U.S.C. § 101 as directed to non-

3   statutory subject matter is not sustained.

4   The rejection of claims 98-114 under 35 U.S.C. § 101 as directed to non-

5   statutory subject matter is sustained.

6   No time period for taking any subsequent action in connection with this

7   appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R.

8   § 1.136(a)(1)(iv) (2007).

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10   AFFIRMED-IN-PART

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